GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:1656
ANSWERED ON:14.03.2005
CLOSURE OF KUDREMUKH IRON ORE COMPANY LTD.
Singh Shri Ganesh

Will the Minister of STEEL be pleased to state:

(a) whether the Kudremukh Iron Ore Company Limited in Karnataka is in the process of winding up;

(b) if so, the reasons therefor;

(c) whether the said company has been running into losses;

(d) if so, the reasons therefor;

(e) the number of employees working and the amount of money spent by the Union Government in the said company so far; and

(f) the steps proposed to be taken by the Government to prevent winding up of the said company ?

Answer

MINISTER OF CHEMICALS & FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a) & (b): In May, 2001, an NGO filed an Inter Locutory Application IA No. 670/2001 in W.P. (Civil) / 2002 of 1995 in the Hon`ble Supreme Court of India regarding continuation of mining by the company. The Hon`ble Supreme Court pronounced its Judgement in October, 2002 permitting the company to mine weathered ore at Kudremukh only till end of December, 2005 in the already broken up area. The Company has filed a Petition for direction on 3rd December, 2003 before the Hon`ble Supreme Court seeking inter-alia permission to mine in the unbroken area of approx. 54 hectares from safety angle, maintain internal slope stability and also to permit mining of primary ore. The final verdict of the Hon`ble Supreme Court is awaited.

(c) & (d): No Sir, KIOCL has been consistently making profits for the last 15 years.

(e) The number of employees working in the company as on 1.1.2005 is 1952. As on date, the Government of India has invested Rs. 628.14 crores in KIOCL in the form of equity.

(f) The Government is providing all possible help to prevent winding up of the company. Assistance is being provided for tying up alternate sources of iron ore for running the pellet plant at Mangalore. Steps are aslo being taken to merge Kudremukh Iron and Steel Company (KISCO) with Kudremukh Iron Ore Company Limited (KIOCL) so that the manufacturing base of the company is strengthened.